

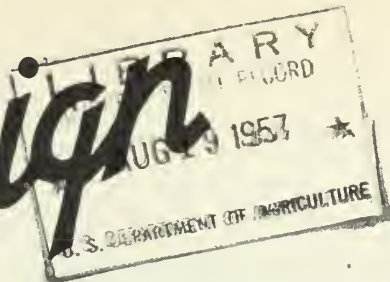
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# Foreign



# CROPS AND MARKETS

FOR RELEASE MONDAY, AUGUST 12, 1957

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FOREIGN CROPS AND MARKETS

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FINLAND PRODUCING  
MORE CIGARETTES

Finland's cigarette production during the first 4 months of 1957 continued to increase. Output amounted to 1.9 billion pieces, 5 percent above the January-April 1956 level of 1.8 billion.

JAPANESE CIGARETTE OUTPUT  
DOWN 4 PERCENT

Cigarette output by the Japanese Tobacco Monopoly Corporation in January-March 1957, totaling 22.9 billion pieces, was about 4 percent below the 23.9 billion produced during the comparable period last year. This was partly due to the Monopoly's policy of increasing production of better-quality cigarettes (particularly "Peace") and controlling the output of lower-quality brands. Recent cancer scare stories are believed to have been partly responsible for the decline in cigarette sales.

CIGARETTES: Japanese output, by brands, calendar years 1955-56, and January-March 1956 and 1957

Brand	1955	1956	January-March	
			1956	1957
	Million pieces	Million pieces	Million pieces	Million pieces
Fuji. <u>1</u> /.....	75	175	45	61
Peace <u>1</u> /.....	5,699	7,242	1,843	2,346
Hikari <u>1</u> /.....	11,493	8,936	2,854	1,533
Pearl <u>1</u> /.....	<u>2</u> / 2,899	1,760	775	544
Ikoi .....	-	<u>3</u> / 21,230	1,520	6,143
Shinsei.....	51,864	42,849	11,808	10,133
Golden Bat.....	27,120	16,074	5,033	2,134
Total.....	99,150	98,266	23,878	22,894

1/ Contain U. S. leaf. 2/ Introduced August 1955. 3/ Introduced February 1956.

Source: Japan Monopoly Corporation.

A new brand of cigarettes with filter tips, "Hope", was placed on the market July 1, 1957. This brand is the first filter-tip cigarette manufactured by the Monopoly. The retail price of "Hope" is set at 40 yen (11.1 U. S. cents) per package of 10. The name "Hope" was familiar to the Japanese before World War II as the name of a high-grade cigarette. The Monopoly reportedly plans to manufacture 200 million pieces a year, which would represent about 0.2 percent of total output.

## AUSTRIAN TOBACCO IMPORTS UP

Imports of unmanufactured tobacco by the Austrian Tobacco Monopoly during the first quarter of 1957 totaled 10.0 million pounds, 3.3 million above the January-March 1956 level of 6.7 million. The increase occurred in larger takings of cigarette type tobaccos from the United States, Greece, Turkey, Argentina, and the Federation of Rhodesia and Nyasaland. Imports of cigar leaf were substantially below those in the first 3 months of last year.

TOBACCO, UNMANUFACTURED: Austria, imports by country of origin, January-March 1956 and 1957 with percent change

Country of origin	January-March 1956	January-March 1957	Percent change from January- March 1956
	1,000 pounds	1,000 pounds	Percent
United States.....	653	1,832	+ 180.6
Greece.....	2,792	4,469	+ 60.1
Turkey.....	1,314	2,043	+ 55.5
Yugoslavia.....	---	102	---
Hungary.....	276	304	+ 10.1
Brazil.....	705	143	- 79.7
Indonesia.....	29	---	---
Cuba.....	32	105	+ 228.1
Dominican Republic.....	899	-	---
Argentina.....	---	648	---
Rhodesias-Nyasaland.....	6	345	---
Other.....	---	---	---
Total.....	6,706	9,991	+ 49.0

Source: Statistik des Aussenhandels Osterreichs, Erstes Vierteljahr 1957

Imports of U.S. leaf, mainly flue-cured and Burley, were 1.8 million pounds, compared with 0.7 million in January-March 1956. Combined takings of oriental leaf from Greece, Turkey, Yugoslavia, and Hungary amounted to 6.9 million pounds--2.5 million larger than in the first quarter of 1956. Leaf takings from the Federation of Rhodesia and Nyasaland, at 345,000 pounds, were only slightly below the 392,000 pounds in 1956. Imports from Argentina amounted to 648,000 pounds and were the first reported imports from that country since the end of World War II.

Average reported prices paid by the Austrian Tobacco Monopoly for leaf tobacco from various countries in terms of U. S. cents per pound during January-March 1957 were: Argentina--17.7; Hungary--27.8; Rhodesias and Nyasaland--29.0; Greece--30.6; the United States--51.9; and Turkey--60.0.



GREECE INTRODUCES FILTER  
TIP CIGARETTES

Domestic made filter-tip cigarettes were reportedly placed on the market in Greece on June 15, 1957, and have been favorably accepted by Greek consumers. Demand for this type of cigarette is currently exceeding the daily output of 5,500 pounds, which represents about 8 percent of total consumption. The new filter-tip cigarettes are retailing at 8.00 drachma (26.6 U. S. cents) for box of 20, slightly higher than the regular luxury type sold at 7.00 drachma per box.

ISRAEL'S 1956 OUTPUT OF TOBACCO  
PRODUCTS SHOWS INCREASE

Output of tobacco products in Israel during 1956, totaling 4.51 million pounds, was about 7 percent greater than the 1955 level of 4.22 million. Production of all products, except cigars and tombac, was higher than in 1955. Cigarette output amounted to 4.34 million pounds, compared with 4.06 million in 1955, and represented 96 percent of total production. Production of snuff at 77,000 pounds continues upward while the output of tombac is declining. Cigar output, though insignificant, fluctuates around 10,000 pounds annually.

## BELGIAN TOBACCO USINGS UP

Factory usings of unmanufactured tobacco in Belgium during the first quarter of 1957, totaling 13.8 million pounds, were 7 percent larger than the January-March 1956 level of 12.9 million. Usings in the production of cigarettes amounted to 6.7 million pounds, compared with 6.2 million in the first quarter of 1956. Leaf usings in the production of cigars, cigarillos, smoking mixtures, and snuff were about 30, 17, 1, and 21 percent, respectively, above the January-March 1956 levels.

AUSTRALIAN TOBACCO USINGS  
12 PERCENT HIGHER

Factory usings of unmanufactured tobacco in Australia during the first 3 months of 1957 continued upward. Total usings amounted to 11.8 million pounds--12 percent above the January-March 1956 level of 10.6 million. Leaf usings in cigarette manufacture, totaling 7.3 million pounds, were 0.9 million pounds larger than last year. Cigarette output amounted to 3.3 billion pieces, compared with the January-March 1956 figure of 2.7 billion.

Stocks of unmanufactured tobacco in bonded warehouses on March 31, 1957, totaled 45.3 million pounds, compared with 52.4 million a year ago. Imported stocks in bond on March 31, 1957, were equivalent to less than 20 months' requirements in contrast to about 26 months' last year.

## AUSTRALIA CONSIDERS WHEAT MARKETING TAX FOR RESEARCH USE

A bill introduced in the Parliament of the Commonwealth of Australia by the Minister for Primary Industry provides for the imposition of a tax of one-fourth of a penny (.23 U.S. cent) per bushel on wheat delivered by producers to the Australian Wheat Board. The board exercises a monopoly over marketing of the country's wheat crop. The bill, introduced May 14, specifies that the tax will be considered as a debt due to the Commonwealth by the Wheat Board, and that it will be payable each year in quarterly installments on the first of January, April, July, and October.

The tax funds are to be used exclusively for research likely to benefit the wheat industry. The Commonwealth Government is expected to contribute to the fund on a pound-for-pound basis. Committees will be set up in each State to allocate the tax funds for approved research. Research projects now under consideration relate to rotational systems, fertilizing techniques, plant breeding, commercial methods of quality testing, soil fertility problems, mechanization, and other production and marketing problems.

The proposed tax for wheat research would be deducted from the price which the Australian Wheat Board is obliged to pay growers for their wheat. Under Australia's Wheat Stabilization Scheme, which has been in operation for a number of years, growers must deliver all of the wheat they intend to market from each year's crop to a pool operated by the Wheat Board. The government guarantees a price for each season's crop that will not be less than the cost of production. The support price for the 1956-57 (December-November) season is \$1.53 per bushel f.o.r. ports of export. This price applies to all wheat sold for domestic consumption and up to 100 million bushels sold for export. In addition, growers participate in any net profits realized by the Wheat Board on its domestic and export sales.

## DANISH IMPORTS OF DOLLAR WHEAT SUBJECTED TO SPECIAL LICENSES

Following closely upon an order effective June 22, 1957, subjecting all imports of wheat and rye and their flours to licenses issued by the Danish Grain Office (see Foreign Crops and Markets, July 15, 1957), the Danish government has announced that licenses for wheat imports against payment in dollars will be issued only on certain conditions.

The conditions under which the Grain Office will issue licenses for imports of wheat against payment in dollars are that (1) the country of origin or from which purchased is either the United States or Canada; (2) the imported product is to be used solely for human consumption; (3) the imports are charged against Denmark's International Wheat Agreement quota (1,837,000 bushels); (4) none of such imports are to be reexported; (5) all purchases for imports during 1957-58 are shipped before July 31, 1958; and (6) a copy of the concluded contract must be submitted.



# DENMARK REQUIRES MIXING OF DOMESTIC WITH IMPORTED WHEAT AND RYE

The Danish Ministry of Agriculture has issued an order requiring the admixture of specified quantities of domestic wheat and rye or of the flours milled therefrom in all flour sold for human consumption in Denmark.

With respect to wheat and wheat flour, the minimum proportion of the home-grown product to be admixed is fixed at 50 percent for the period September 15 to October 15, and 70 percent thereafter. With respect to rye and rye flour, the minimum is 70 percent from August 15 to September 15, and 90 percent thereafter.

The law provides that flour may be milled from foreign and Danish wheat and rye separately. Before the flour can be sold, however, it must be mixed with not less than the specified percentages of the Danish product either at the mills or at special mixing plants.

Danish bread grain imports during the first 9 months (July-March) of 1956-57, compared with those for the same period of 1955-56 shown in parentheses, amounted to 162,400 (233,400) metric tons grain equivalent of wheat and flour and 90,500 (122,800) tons of rye. The reduction is attributed to the abundant 1956 harvest. In the 9-month period, the United States displaced Argentina and France as the principal supplier of wheat, and displaced Canada and Argentina as the principal supplier of rye. West Germany continued as the leading supplier of the relatively small imports of wheat flour.

## ETHIOPIA'S AGRICULTURE HAS SET BACK

Ethiopia's agricultural economy has been affected by 3 adverse factors since the beginning of the year:

(1) Ethiopian arabica coffee, traditionally accounting for 50 percent or more of the country's export earnings, has continued to demand a lower price on the world market, declining by an average of \$0.03 per pound from April to July. This decline has been due in part to deterioration in quality while in storage and transit.

(2) Aden Colony has recently banned chat (a mildly narcotic plant). As Aden Colony has been a receptive market for chat in previous years, the ban means a serious loss to Ethiopia.

(3) Grain prices have risen suddenly and sharply. Fears of a possible major grain shortage increased the price of teff (the most popular bread grain) some \$12 per metric ton from April 1 to mid-April. During this period the price of wheat rose \$6 per metric ton.

# PAKISTAN INCREASES RICE IMPORTS IN 1957

Contracts for rice imports into East Pakistan in calendar year 1957 totaled 455,670 long tons as of June 30. This is an even larger volume than the relatively heavy imports of 434,000 tons in 1956. Of the 1957 contracts, 149,065 tons were delivered by June 30, and 306,605 tons were yet to be received.

Nearly 40 percent of the 1957 imports are from the United States, the principal country of origin. Approximately 128,000 long tons were taken from the United States in the first half of the year, and 50,000 tons were yet to be imported. Thirty-six percent of rice imports are from Burma, and rice is also being imported from Thailand, South Vietnam, and Cambodia.

RICE: Contracts for import into East Pakistan, 1957  
(as of June 30)

Country of origin	Previous arrivals	Arrived in June	To be delivered	Total quantity contracted
	Long tons	Long tons	Long tons	Long tons
Burma.....	11,599	9,496	143,605	164,700
United States.....	92,138	35,832	50,000	177,970
Thailand.....	0	0	60,000	60,000
South Vietnam.....	0	0	50,000	50,000
Cambodia.....	0	0	3,000	3,000
Total.....	103,737	45,328	306,605	455,670

Compiled from official sources.

East Pakistan expects to secure an additional 40,000 tons of rice from West Pakistan. Also, 50,000 tons of wheat will be required for consumption in place of rice by the end of 1957.

Although rice prices are still high, and supplies scarce, famine conditions appear to have been averted. This may be due to greater public confidence in the government and its ability to provide good supplies.

Rice prices in East Pakistan declined to some extent in the first part of July, according to official information. Average wholesale provincial prices in early June ranged from \$8.93 to \$10.21 per 100 pounds. As of July 19, they were \$8.42 to \$8.55 per 100 pounds. In some districts the price had declined to \$6.13 per 100 pounds, but it was still \$10.21 per 100 pounds in areas where transportation was difficult.

PAKISTAN AND THAILAND SIGN  
2-YEAR RICE AGREEMENT

Pakistan and Thailand recently signed a 2-year rice agreement, effective January 1, 1958. Each year a minimum of 100,000 long tons and a maximum of 200,000 tons will be supplied by the Thai Government. Prices will be negotiated at prevailing market prices, and Pakistan is seeking to establish a balance trade arrangement for payment.

At the same time, Pakistan purchased 55,000 long tons of rice from Thailand to meet immediate requirements in East Pakistan. This is in addition to the 60,000 tons purchased prior to June 30, 1957.

Pakistan is also trying to increase from 100,000 tons to 200,000 tons a year the amount it imports under its rice agreement with Burma.

NEW THAI RICE CROP  
ABOVE AVERAGE

Thailand's 1957-58 rice harvest (mainly December) is expected to be between 7.5 and 8 million metric tons of rough rice, according to a preliminary official forecast. Although below the record crop of 8,291,000 tons last season, this is well above average. Moisture conditions throughout the producing areas are now satisfactory, even though late rains delayed planting of the crop.

Rice production in the 1950-51/54-55 period averaged 6,932,000 metric tons of rough rice (4,500,000 tons milled equivalent at 65 percent). Average rice exports during this period were 1,350,000 metric tons of milled rice annually. It is possible that the amount of rice exported during 1958 will not be determined entirely by the size of the 1957-58 crop. Price apparently is the most important factor influencing the total amount exported.

Because of the late season this year, new-crop rice may not be available in quantity as early as usual in November and December. Rising prices could induce farmers and upcountry dealers to withhold paddy and make it difficult for Thailand to satisfy its foreign customers.

RAINS DELAY GRAIN HARVEST  
IN PARTS OF EUROPE

Widespread wet weather is delaying the grain harvest in parts of Europe and is expected to lower the quality of the grain to some extent. Growing concern that the harvested grain may have a high moisture content is reported from France, one of the principal areas involved. Trade estimates there indicate a significant reduction in the outturn of high-grade grain because of sprouting.

The harvest is also delayed in the United Kingdom, and officials there fear that a harvest of high moisture content may necessitate considerable artificial drying. Some losses from lodging are also reported.

#### SOUTH KOREA INCREASES WHEAT PRODUCTION

Production of wheat in Southern Korea for 1957 is forecast at 4.4 million bushels, the same level as the harvests of the past 3 years. At the average of 4.4 million bushels, however, the recent level has been 47 percent above the average for the pre-Korean war years, 1946-50. Some increase in yields has been reported, but a larger increase in acreage has contributed more to the rise in production.

It has been necessary to expand wheat production to supply food for a large population. In addition to normal increases in population, the influx of war refugees from northern Korea has been an important factor. Sizable imports of wheat and wheat flour will continue to be required to fill the country's increasing needs. Projected imports for 1957 are placed at 370,000 metric tons of wheat and 15,000 tons of flour. In addition, plans call for 5,000 tons of "boulgour" (processed wheat).

#### WEST GERMANY'S GRAIN HARVEST LARGE

West Germany is harvesting another large grain crop, according to recent reports. The large outturn for breadgrains is attributed to increased acreage, generally favorable growing conditions, and increased use of fertilizer. An increase of about 4 percent over the 1956 breadgrain area is only slightly offset by a small reduction in the area seeded to coarse grains. Wheat acreage for harvest is an estimated 7 percent larger than in 1956 and rye acreage about 1 percent larger.

Conditions throughout the winter were unusually favorable for winter grains, with winterkill loss of less than 2 percent reported for both wheat and rye. This contrasts with a loss of 17 percent of winter wheat acreage during the severe winter of 1955-56. Cool dry weather during the spring caused some concern, but crops appear to be yielding well despite that handicap.

Increased use of fertilizer is an important factor in the high yields indicated for the present season. Sales of commercial fertilizer were considerably larger than sales for use on 1956 crops. The increased use was partly attributable to the 20-percent price subsidy under the Green Plan.

#### IRELAND REQUIRES IMPORT LICENSE FOR FLAXSEED (CORRECTION)

Ireland requires importers of flaxseed to obtain an import license. In Foreign Crops and Markets, July 8, it was erroneously reported that this restriction had been removed. All other seeds, nuts, and kernels to be used for expressing oil may be imported without an import license.



URUGUAY AUTHORIZES BANK OF REPUBLIC  
TO EXPORT LINSEED OIL

The National Council of Government of Uruguay by a decree of July 11 authorized the Bank of the Republic to purchase and export linseed oil. This authorization aims at easing the virtual paralysis of the flaxseed trade and crushing industry caused by the high floor price for flaxseed (45 pesos per 100 kilograms) which has made oil exports unprofitable in the face of falling world prices. (See Foreign Crops and Markets, May 13, 1957.)

The Bank of the Republic had been authorized, by a decree of April 11, to purchase flaxseed for export and to make such exports at the floor price, if necessary, to ensure normal sales volume. At the same time, private exportation of flaxseed was prohibited. The same decree fixed a subsidy of 35 centesimos per kilogram for linseed oil exports and granted these exports the free commercial exchange rate. The trade maintained, however, that oil exports would be impossible because mills could not pay the floor price for seed and make any profit on oil exports at prevailing (and declining) world market prices.

The decree of July 11 extends the authority of the Bank of the Republic to act in support of the flaxseed industry. It authorizes the bank to purchase seed from consignees, cooperatives, and middlemen, whereas the bank formerly could only purchase directly from producers. Therefore, the bank now is in a position to buy the seed, turn it over to local mills for processing, and then export the oil.

The decree also authorizes the Bank of the Republic, in consultation with the Ministries of Industries and Labor, to set the price at which it will buy oil, and gives the bank a free hand in deciding how to dispose of flaxseed acquired under this program.

It is possible that the recent upturn in world linseed oil prices may lead to a resumption of commercial exports, thus making large-scale government purchases unnecessary.

NEW ZEALAND BUTTER AND  
CHEESE PRICES DOWN

On July 22, New Zealand butter was down to \$43.40 per hundredweight after falling \$.56 in a week. The drop in price is the result of Great Britain's having large quantities of butter of various origins in cold stores, which is acting as a drag on the market. These cold store stocks amounted to 69,700 tons, an increase of 12,200 tons over the total a year earlier, according to the latest figures available on June 28.

New Zealand cheese prices are also down, due to the impact of British cheese now being placed on the market. Finest white New Zealand cheese was \$25.34 per cwt. ex-store on July 22. This was a drop of \$.42 in a week.



## IRISH HOG SLAUGHTER RISES

About 263,000 hogs were slaughtered in Ireland during the first quarter of 1957. This was 9,000 head more than in the same period of 1956. Pork production, however, remained steady, indicating that slaughter weights dropped and that younger animals were being slaughtered. The large supplies of hogs offered for slaughter reduced prices, which had been unusually high.

Ireland reported an increase in hog numbers in January 1957. Sharp increases reported in bred sows and in young pigs forecast a rise in hog slaughter and pork production throughout 1957 and the first half of 1958. Ireland is an important exporter of pork to the United Kingdom.

SWISS HOG NUMBERS  
LIKELY TO DECLINE

The Swiss Federal Bureau of Statistics reports that Swiss hog numbers, which have been unusually high for several years, are expected to decline. Although the total number of hogs has risen slightly, numbers of bred sows, and pigs less than 2 months old, have decreased, indicating a reduction in numbers in the second half of 1957 and lower slaughter in 1958.

Switzerland's large hog numbers, which have continued for 3 years, are in line with the general trend in hog numbers throughout Northwestern Europe. German hog numbers are especially high, and France produced a surplus of pork in 1956. The United Kingdom has been somewhat concerned over its surplus production of pork. Switzerland is relying primarily on obligatory stockpiling of pork to relieve glutted markets.

With such large numbers of hogs in Switzerland and Northwestern Europe, production of pork, lard, and pork variety meats will be proportionately large in 1957 and 1958. This is expected to adversely affect U. S. exports of lard and variety meats to Europe during the next year.

AUSTRALIAN FARMERS SHIFTING  
FROM WHEAT TO SHEEP

The Wheat and Wool Growers' Association of New South Wales reports that wheat is no longer the principal source of income for most Australian farmers. Many farmers have recently changed from wheat growing to sheep production due to increased wheat production costs and lower prices. On the other hand, sheep farmers have just experienced their second best season on record. With continued pasture improvements, breeding skill, and high standards of sheep husbandry, the sheep industry can be expected to expand further.

## ARGENTINA ACTS TO STIMULATE LAMB EXPORTS

Argentina has reduced the "aforos" on lamb by about 28 percent. This action is in line with the announced Argentine policy of relaxing government controls on foreign trade, and it is expected to stimulate lamb exports.

"Aforos" are government-fixed prices which determine the peso value of foreign exchange earned by Argentine exporters. Up to the value of the "aforo," all foreign exchange must be exchanged for pesos at the low official rate. In any sales above the value of the "aforo," the excess foreign exchange may be changed for pesos at the higher "free" rate. Low "aforos" thus encourage exports because they mean higher profits to exporters.

SOUTH WEST AFRICA INCREASES  
CATTLE EXPORTS

During 1956, cattle exports from South West Africa increased by 5,000 head over the record year of 1955. They reached a new high of 206,400 head, according to the annual report of the South West Africa Meat Board. The great majority of South West Africa's livestock exports are to the Union of South Africa, where they account for about 80 percent of total cattle imports, according to the Farmers' Weekly (Bloemfontein).

IVORY COAST LIMITS EXPORT OF  
INFERIOR GRADES OF COFFEE

Trade in inferior grades of Ivory Coast coffee has been regulated by a recent decree of the Government Council. The decree forbids marketing of inferior grades of coffee (triaux et brisures) within the territory unless specifically authorized. Exporters must declare to the Coffee Price Stabilization Fund (Caisse de stabilisation des cours de cafe) the tonnage proportion of inferior coffee to that of classified coffee which they intend to export. A maximum of 5 percent of inferior grades has been fixed for the 1956-57 season.

The Coffee Price Stabilization Fund, created in December 1955, stocks coffee when prices fall below a minimum determined each year to protect growers from drastic price fluctuations. The fund's budget is derived from one-third of the export duties levied on coffee.

The decision to severely limit trade in inferior grades of coffee was prompted by the fact that until January 1955 exporters who were held to tie-in sales in order to export to the United States used poor quality for shipment to France. The reputation of Ivory Coast coffee suffered because of this, and sales were affected. The aim of the new measures is to insure the sale of good-quality coffee on a continuing basis.

## SUDAN CONTINUES TO PRODUCE MORE COTTON

The Sudan's cotton production during 1956-57 (its first year as an independent nation) is expected to be the highest ever recorded. According to unofficial estimates, production will be about 620,000 bales (500 pounds gross) from an area of 765,000 acres, compared with 441,000 bales from 598,000 acres the previous year. This is an increase of 41 percent in production, and a 28-percent increase in acreage.

In addition to the acreage increase, the large cotton crop is attributed to unusually heavy rainfall throughout the Gezira during the early growing season and to favorable maturing weather, which brought about record yields per acre.

Cotton acreage in the irrigated regions producing Sakel, Lambert, and other extra-long staple varieties increased substantially from 414,000 acres a year ago to 598,000 acres in 1956-57.

Acreage in irrigated areas producing American-type cotton increased slightly from 7,000 acres last year to 7,800 acres this year. However, in the raingrown cotton areas producing American-type, acreage declined from 177,000 acres in 1955-56 to 159,000 acres in the current year.

Normally, nearly all of the Sudan's cotton is exported, since only about 2,000 bales are used for domestic consumption each year; but domestic consumption may reach 5,000 bales in 1956-57. Exports during August-May 1956-57 were 270,000 bales, 40 percent below the 450,000 bales exported during the same period a year earlier.

Principal destinations of the Sudan's cotton exports during August-May in 1956-57, with comparable 1955-56 figures in parentheses, were: United Kingdom 136,000 bales (180,000); India 41,000 (88,000); Italy 23,000 (39,000); West Germany 22,000 (46,000); France 19,000 (25,000); Ethiopia 6,000 (7,000); Japan 5,000 (9,000); China 4,000 (4,000); Belgium 3,000 (8,000); Switzerland 3,000 (3,000); Netherlands 2,000 (400); Poland 2,000 (5,000); Bulgaria 900 (0); Yugoslavia 800 (400); Trieste 750 (0); Lebanon 500 (500); Austria 400 (2,000); Eritrea 400 (0); Australia 250 (75); Denmark 250 (5); Hungary 200 (3,000); United States 170 (10,000). Small quantities also were exported to Hong Kong and Saudi Arabia.

The Sudan began its statistical year January 1, 1957, with a negligible unsold carryover. It is estimated, however, that only about 10 percent as much new-crop cotton was sold in January-May 1957 as in the same period last year.

Sales are expected to increase during the remainder of 1957 because of the Gezira Board's decision to return to the auction method of selling. Also, reserve (minimum) prices have been reduced by about 17 percent from those first announced on March 14, 1957.

Old and new reserve prices for Sakel-type Sudanese cotton are shown in the following table:

COTTON: Sudan, reserve prices for Sakel-type, as reduced from March to May 1957

Grade	1957 reserve price per pound <u>1/</u>	
	March 14	May 31
	<u>U.S. cents</u>	<u>U.S. cents</u>
XGS.....	---	64.26
GS.....	75.60	62.80
XG2S.....	74.44	61.35
G2S.....	72.69	59.90
XG3S.....	70.95	58.44
G3S.....	67.75	56.99
XG4S.....	66.29	55.54
G4S.....	64.84	54.08

1/ Excludes export tax of 8.72 cents per pound.

#### VENEZUELA TO IMPORT COTTON

The Venezuelan Ministry of Agriculture has approved importation of about 5,300 bales of cotton at a reduced duty. The official duty is expected to be reduced from about 27 U. S. cents per pound to about 20 cents per pound. Venezuela normally imports from 1,000 to 5,000 bales of cotton to cover the deficit between domestic production and consumption. The recently authorized imports of 5,300 bales are about one-fifth of local mill consumption.

#### TRANSSHIPMENTS OF MEXICAN COTTON CONTINUE TO DECLINE

Transshipments of Mexican cotton through United States ports were 16,000 bales (500 pounds gross) during May 1957. This was a decline of 52 percent from transshipments of 33,000 bales in April 1957, and roughly one-third the volume of 50,000 bales in May 1956.

Transshipments during August-May 1956-57 were 834,000 bales, down 31 percent from transshipments of 1,214,000 bales during the same period a year ago. Quantities transshipped during August-May 1956-57, with comparable 1955-56 figures in parentheses, were: Japan 297,000 bales (257,000); West Germany 120,000 (267,000); the United Kingdom 89,000 (171,000); France 73,000 (23,000); the Netherlands 66,000 (132,000); Belgium 61,000 (107,000); Italy 31,000 (65,000); Sweden 26,000 (56,000); Australia 18,000 (24,000); and Switzerland 15,000 (21,000).



#### DUTCH APPLE CROP ONLY 50 PERCENT NORMAL

The Netherlands normally produces 14,000,000 boxes of apples, of which 2,300,000 are exported. Due to severe frosts at blossom time this year, total production is now officially estimated at only 7,000,000 boxes.

#### BELGIUM REDUCES INCORPORATION RATE OF DOMESTIC WHEAT IN FLOUR

Effective July 15, Belgium's compulsory incorporation rate of 1956-57 crop domestic wheat in flour milling was reduced from 65 to 60 percent. This reduction was made with the understanding that the rate will not be reduced further when the new crop comes on the market.

Belgian wheat plantings this spring were 206,000 hectares (509,000 acres), the highest in 70 years. Antwerp trade circles expect the 1957 wheat crop to be between 700,000 and 750,000 metric tons (25.7 and 27.6 million bushels) and that the average incorporation rate for the 1957-58 marketing year to be 70 percent.

In 1956 Belgium planted 196,000 hectares (484,300 acres) of wheat and harvested slightly under 600,000 metric tons (22 million bushels).

#### IRELAND RESTRICTS FEEDGRAIN IMPORTS

Until its 1957 barley crop is consumed, Ireland will allow no imports of barley, and grain sorghum and corn imports will be limited to the minimum necessary for use in special feed compounds. Assurance to this effect were recently given to the N.F.A. (National Farmer's Association) by the Minister of Agriculture.

Ireland's 1957 barley crop may reach 450,000 long tons, a 50 percent increase over the 1956 record crop, according to N.F.A. estimates. The N.F.A. expects that anticipated increased production will meet Ireland's 1958 coarse-grain feed requirements, which would considerably improve the country's 1958 foreign trade balance of payments.

The United States has in recent years been the principal source of Ireland's feed-grain imports. During the period 1953-54 through 1955-56 all of the grain sorghum, 83 percent of the corn, and 39 percent of the barley imported by Ireland came from the United States. During the first 10 months (July-April) of 1956-57, the United States supplied all of Ireland's imports of corn and barley. Imports of grain sorghum for this period were not separately reported.



## URUGUAY NEEDS SEED POTATOES

Uruguay's official seed service has requested bids on 130,000 bags of Kennebec, 30,000 bags Katahdin, 70,000 bags Pontiac, 2,000 bags Merrimack, 300 bags Saco, and 100 bags Delus seed potatoes. Each bag is to contain 50 kilos (110 lbs.). The bid opening is August 23 in Montevideo.

PAPUA AND NEW GUINEA COPRA  
PURCHASE PRICE REDUCED

The 1957 purchase price for copra from Papua and New Guinea under the terms of the 9-year agreement with the British Ministry of Agriculture, Fisheries and Food has been set at 54 pounds sterling, or 67-10-0 Australian pounds (\$151.20) per long ton f.o.b. territory ports. While the contract price is below the 1956 price of 58-10-0 pounds sterling (\$163.80), it is higher than the current open market price. Consequently, the contract price obtained is considered satisfactory to territory producers.

In accordance with the terms of the purchase agreement with the United Kingdom, which expires in December 1957, prices are fixed annually with maximum variations of 10 percent increase or decrease. (See Foreign Crops and Markets, April 30, 1956.) The end of the agreement reportedly is of major concern to growers. The general opinion in Australia is that a renewal of the agreement on terms as favorable as at present is unlikely.

RAINS BRIGHTEN AUSTRALIAN  
AGRICULTURAL PROSPECTS

General rains in late June and early July have relieved threats of drought in southern and eastern Australia. (See Foreign Crops and Markets, June 3, 1957.) From late 1956 until mid-June, dry weather affected winter grain crops and reduced pasture growth in some of the most agriculturally productive sections of the Commonwealth.

Recent rains have revived pastures to the extent that emergency feeding of livestock is no longer required. Farmers are also much more optimistic as to the outlook for spring crops than in early June.

Although prospects for wheat and winter grains have improved, the acreage planted to grain crops is still uncertain. Plantings did not become active in the Eastern States until late June. It is expected that total crop acreage will be above the low level of 7.8 million planted in 1956-57, but still below the 10.3-million average of recent years. Crop yields and livestock prospects will still depend on the amount of moisture received from August through November.

## U.K. ANNOUNCES IMPORT QUOTA FOR ARGENTINE APPLES AND PEARS

The British Board of Trade has announced that the quota for imports of Argentine apples and pears during the 1957-58 season will be \$1,560,000--the same as last year.

## U.S. WHEAT AND FLOUR EXPORTS REACH 546 MILLION BUSHELS IN 1956-57

United States wheat and flour exports during 1956-57 (July-June) were slightly over 546 million bushels grain equivalent, compared with 346 million bushels in 1955-56. This is not only an alltime record but is also the largest quantity of wheat ever moved into export channels by any one country in a single year. The previous record for the United States was 504 million bushels in 1948-49. Details with respect to countries of destination will appear in the next issue of Foreign Crops and Markets.

## IRAN EXPECTS NEW WHEAT PROGRAM

A new wheat policy is evolving in Iran along with the establishment of a new Ministry of Customs and Monopolies by the Eghbal Government. Taxes and controls on movement of wheat between provinces within the country have already been eliminated.

The government's practice still is to purchase up to one-fourth of the wheat crop at fixed prices. Prices for the 1957 crop are 4.5 rials per kilogram (\$1.60 per bushel) at Gorgan, 5.5 rials per kilo (\$1.96 per bushel) in Khuzistan and 5.0 rials per kilo (\$1.78 per bushel) in the rest of the country. These are higher than the range of 3.6 to 5.0 rials per kilo (\$1.28 and \$1.78 per bushel) in effect the past 2 years. Government wheat is still being sold at subsidized prices to further the cheap bread program for the poor, but the budget law does not authorize funds to be spent for this purpose in the Tehran area after July 23, 1957.

Under the proposed new wheat program, with compulsory sales to the government eliminated, the government would fix prices at which it would purchase all wheat offered, and also fix prices at which it would offer wheat to purchasers. This would tend to establish a price floor and a price ceiling for Iranian wheat.

The present program has not been satisfactory because, with government prices at relatively low levels, wheat has virtually been on a free market basis. The program has therefore not encouraged farmers to increase production, and the government has been able to purchase very little wheat this year. Under the proposed new program, government wheat prices will be at higher levels to ensure desired increases in production.

## ARGENTINA'S LATE POTATO CROP SHORT

Late potatoes are only 14 percent of Argentina's yearly total potato production. In 1955-56 the late crop amounted to 7.7 million bushels. This year the preliminary estimate is only 3.9 million bushels.

U. S. COTTON EXPORTS  
DECLINE IN JUNE

United States exports of cotton in June 1957 amounted to 553,000 bales (500 pounds gross), down about 20 percent from exports of 692,000 bales in May. The current figure is 55 percent above exports of 247,000 bales in June 1956.

Exports in the 11-month period, August-June 1956-57, amounted to 7,475,000 bales (500 pounds gross), compared with 2,180,000 bales in the corresponding months of 1955-56. Quantities and destinations of U.S. cotton exports will be published in Foreign Crops and Markets next week

ARGENTINE LINSEED OIL  
LOAN-SUPPORTED

Government loans on linseed oil held by crushers on June 30 are being granted in Argentina. These loans, in the amount of 90 percent of a fixed value of 5,560 pesos per metric ton, are issued by the National Grain Board for 180 days at 5 percent interest for cooperatives, and 7 percent interest for private crushers. The oil will remain in crushers' tanks; unless re-deemed by crushers, it presumably will be taken over by the Grain Board for future marketing.

Early in the crop year, crushers bought sizable quantities of flaxseed at prices substantially above the support price of 1,650 pesos per ton. Oil crushed from these early purchases is apparently prices too high for export. If crushers report to the loan program on a large scale, it is likely that the Grain Board may be forced to market a substantial share of the current year's linseed oil at a loss.

CUBAN RESTRICTION ON CHICK IMPORTS  
REPORTEDLY DEFERRED

The trade is advised that enforcement of Cuba's Decree No. 1981 restricting chick imports after August 5 is reported to have been deferred until the Cuban Ministries of State, Agriculture, and Commerce have reviewed the full effects of the decree (see Foreign Crops and Markets, August 5, 1957).

Unofficial information has also been received from Cuba that shipments of chicks under firm July orders may continue until further notice.

## LOWER FOREIGN FILBERT CROP FORECAST

Foreign production of filberts in 1957 is forecast at 115,000 short tons in-shell, 42 percent less than the 198,000-ton record crop of 1956.

Principal factor in the wide fluctuations that characterize foreign filbert output is the "on-and-off" Turkish production, which normally accounts for five-eighths of foreign commercial production. With 1957 as the "off year" for Turkish filbert production, the harvest forecast is 65,000 tons, in-shell, or less than one-half the bumper 1956 crop of 143,000 tons. The "on years" of Turkish filbert production have averaged 117,300 tons since 1949, while the corresponding "off years" commencing with 1950 have averaged 52,300 tons, which is less than 45 percent of the volume for the "on years." However, both "on" and "off-year" crops have steadily increased in recent years.

Italian filbert production for 1957 is forecast at 33,000 short tons, in-shell. This would be 7 percent over the 30,800-ton five-year average for 1950-54, and a little less than the 35,000 tons estimated for 1956. Spain looks forward to a good filbert crop of 17,000 tons, nearly one-fourth larger than Spain's 13,800 average but 15 percent less than the previous season's large harvest of 20,000 tons. In the United States, a crop of 9,250 tons in-shell is forecast; this would be three times the very small production of 1956 and about 20 percent more than the 1950-54 five-year average of 7,700 tons.

FILBERTS, UNSHELLED: Estimated commercial production in specified countries, average 1950-54, annual 1954-56, forecast 1957

Country	: Average : : 1950-54 :	1954	: 1955	: 1956	: Forecast : 1957
	: Short : tons	: Short : tons	: Short : tons	: Short : tons	: Short : tons
Turkey.....	73,000	136,000	57,000	143,000	65,000
Italy.....	30,800	23,000	50,000	35,000	33,000
Spain.....	13,800	7,300	12,000	20,000	17,000
Foreign total.....	117,600	166,300	119,000	198,000	115,000
United States.....	7,700	8,620	7,710	3,040	9,250
Grand total.....	125,300	174,920	126,710	201,040	124,250

Large stocks of Turkish filberts carried over from Turkey's 1956 record crop overshadow the world marketing situation for filberts. Movement of the 1956 bumper Turkish crop was hampered by government-set minimum export prices. Trade sources estimate the Turkish carryover at

(Continued on page 21)



approximately 50,000 short tons, unshelled,--equivalent to almost three-fourths of this year's forecast production. Italian and Spanish stocks are moderate, totaling perhaps 5,000 tons, in-shell.

U. S. imports of shelled filberts totaled 2,052 short tons in the first nine months of the 1956-57 season. Import movement was slow early in the season but gained momentum as Turkish prices came down sharply. Turkey was again the principal supplier of shelled filberts to the United States, furnishing 92 percent of the filberts imported during this period. Turkish filberts continue to sell at prices well below the official minimum export price. The latter is now 43 cents per pound f.o.b. Turkish port, for dollar, European Payments Union (EPU), and sterling countries. However, Turkish filberts are available through currency and barter deals-- at 27 cents per pound, f.o.b. Turkish port, shelled basis. The minimum export price at the start of the 1956-57 season was 51.7 cents.

Italian and Spanish shelled filbert prices also have declined sharply this season but have managed to stay above Turkish levels. As of late July, Avellino filberts were quoted at 40 cents shelled, and 16½ cents in-shell, f.o.b. Italian ports.

U. S. imports of in-shell filberts in 1956-57 have been the largest since 1946 in consequence of a short domestic crop. In-shell imports, entirely from Italy, amounted to 456 tons in the first nine months of the 1956-57 season. In the previous two seasons there were no imports of in-shell filberts.

FILBERTS: U.S. imports by country of origin,  
annual 1951-56, year beginning September 1

Country of origin	1951	1952	1953	1954	1955	1956 1/
	Short tons	Short tons	Short tons	Short tons	Short tons	Short tons
Unshelled:						
Italy .....	100	74	222	0	0	456
Spain.....	0	0	0	0	0	0
Other.....	0	0	0	0	0	0
Total.....	100	74	222	0	0	456
Shelled:						
Turkey.....	3,439	1,959	1,157	3,750	2,026	1,886
Italy.....	331	240	535	133	256	128
Spain.....	105	132	836	35	77	22
France.....	8	2/	6	5	12	0
Netherlands.....	23	2	2	44	70	11
Germany, West.....	3	0	22	0	6	5
Other.....	2	0	0	3/ 102	4/ 88	0
Total.....	3,911	2,333	2,558	4,069	2,535	2,052

1/ Nine months September-May. 2/ If any, included in "Other." 3/ Includes 96 tons from Lebanon. 4/ Includes 69 tons from Lebanon and 10 tons from Canada.



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Changes in Gold and Dollar Assets of Our Foreign Buyers During January-March 1957. Foreign Agriculture Circular FATP 21-57.

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